

## **The London School of Economics vs. the Ecole d'Economie of Paris (EEP)**

*The duel of two superuniversities*

*The recent alliance between the best French research centres can't yet compete with its famous British elder counterpart.*

Great turmoil was caused this autumn among French universities by the announcement of the creation of the EEP. This ambitious project aims at refurbishing the image of French research on the international scene and at making the EEP a reference among the huge Anglo-Saxon universities, first of which the LSE.

The EEP will reunite, under one single label, the great minds of several academic institutions: the Ecole Normale Supérieure, the EHESS, the Université Paris I and the Ecole Nationale des Ponts et Chaussées. This political and academic move has unsettled a closed French university system. Even though the LSE is a step ahead, the competition between the two schools on the know-how and the let-know isn't yet settled.

### **1 The scope of the fields of study**

Winner: the LSE

In spite of its very name, the LSE isn't only specialized in Economics. Mathematics, geography, law, sociology, political science... The school offers teaching in 19 different departments and has over 30 research units. The heart of the EEP project is based on a major asset of the LSE, its interdisciplinarity. Indeed, Paris plans on creating links between Economics and other social sciences. However, EEP will focus mainly on Economics, therefore solely competing with the LSE's equivalent department. Furthermore, the Parisian school will not offer the same complete curriculum as the LSE but will accommodate only Masters and PhD students. Far from being the French LSE, the EEP will mostly be a postgraduate institution trying to compete the LSE on its firmest ground.

### **2 Funding**

Winner: the LSE

Given an original funding of 10 million euros (6,5 million GBP), the EEP will soon face financial difficulties. Most of the money will indeed be used up for the erection of a new six-storey building on the boulevard Jourdan campus (in the fourteenth district in Paris). The school is a foundation and can therefore raise private funds and receive donations...However, the money still needs to be collected! French companies would rather finance specific research programmes (with obvious returns on investment) than donate funds for a permanent research unit.

Money is less of an issue in the UK. The LSE has launched an ambitious fund raising campaign. The aim is to collect 100 million GBP (approximately 145 million euros). And the tuition fees are determined by the school: close to 22 000 euros for a Masters student reading Economics! The Economics department comfortably runs on 12,4 million euros and can therefore offer interesting grants and salaries to the world's best students and researchers. A junior economist earns 73 000 euros per year, a senior 146 000 euros and,

for the best, the annual salary is close to 300 000 euros! In France, a CNRS researcher earns no more than 50 000 euros at the end of his career....

### 3 The research staff Winner: the EEP

As the result of an alliance between the top French research centres, the EEP will run on between 250 and 300 researchers, including 100 to 150 “hardcore” economists. Thomas Piketty will supervise them. At 34 years old, he has an impressive academic record: a LSE-EHESS PhD, a first job at the MIT in 1993. In 2002, he received the prize of the French best young economist and then became head of the social sciences department at the EHESS two years later. He will be working with famous French economists such as Philippe Bourguignon, Bernard Caillaud or Roger Guesnerie. On the other hand, the LSE Department of Economics has a smaller staff with “only” 52 economists, but they work with other departments and research centres, including the famous Centre for Economic Performance. All in all, the LSE runs on 125 economists. Several Nobel Prizes have either studied or taught in the school: Amartya Sen (1998), Robert Mundell (1999) and George Akerlof (2001).

### 4 Academic fame Winner: the LSE

The international rankings based on the number of articles published in scientific journals prove the hegemony of American universities over the European ones. For instance, in the highly-regarded survey published by the University of Melbourne, the first French university (Toulouse I) ranks eighteenth, thanks to its world-famous Institute of Industrial Economics. Paris I ranks 93<sup>rd</sup> and the Ecole Nationale des Ponts et Chaussées, 97<sup>th</sup>. The LSE is far better off, as it is twelfth.

Another ranking surveys the Economics departments in European universities and is more balanced: the LSE is, not very surprisingly, first but if you add up the results of the research centres based boulevard Jourdan, the EEP is third in the ranking. With Paris I, the new Parisian school steals the number one seat. But renown can’t be solely measured by these surveys and it will take the EEP quite some time to gain the same aura as the LSE.

### 5 Attractiveness Winner: the LSE

The LSE attracts 7500 students each year and only 36% of them are British. 15% of the students are from the EU and the remaining 49% come from all over the world. Also half of the teachers are foreigners.

Only 10% of the researchers and 20% of the students aren’t French at Boulevard Jourdan. The French university system is full of mysteries that are incomprehensible for a

new-comer and can prove to be very discouraging. The extremely complex hiring process doesn't help international mobility. How can one explain to a sought-after economist that he will have to wait a few months before knowing for sure whether he has a job in France when a prestigious Anglo-Saxon university offers within a few days a contract that awaits no more than a signature?

Results of the match  
The LSE:4/ the EEP: 1

At the end of the day, the EEP will offer French economic research a greater visibility and it won't have to feel shameful in front of the LSE. However, the EEP will always suffer from its dependency to the bundle of institutions that fathered it whereas the LSE is an independent academic and financial institution. That remains its main asset.

Figures:

LSE

Creation: 1895

Research staff: 125

Budget of the Economics department: 12.4 million euros

Annual salary for a senior economist: 146 000 euros

EEP

Creation: 2005

Research staff: 100-150

Initial funding: 10 million euros

Annual salary for a senior economist: 50 000 euros